



SEN. GEORGE RUNNER (RET.)

MEMBER
STATE BOARD OF EQUALIZATION
CALIFORNIA'S TAX BOARD

April 17, 2012

Senator Bob Dutton
California State Senate
State Capitol
Sacramento, CA 95814

RE: Support for SB 1086 (Dutton)

Dear Senator Dutton:

I am writing to express my strong **support** for your Senate Bill 1086.

SB 1086 would end an unreasonable practice currently required by the Board of Equalization (BOE). According to the BOE's interpretation of existing law, retailers must calculate sales and use tax on the full "list price" of a wireless telecommunication device, which is often several times greater than the price charged to the consumer at the point of sale.

California consumers reasonably believe, because it is their experience with nearly every other type of purchase, that they owe sales or use tax on the discounted price they pay at the point of sale. Consumers are, therefore, often confused and frustrated by the higher taxes they are charged when purchasing new cell phones or other wireless devices. Further, this confusing tax policy imposes a burden on retailers who are asked to explain the higher tax.

Thank you for introducing this important legislation.

Sincerely,

A handwritten signature in black ink, appearing to read "G. Runner".

GEORGE RUNNER